

AMENDED IN SENATE AUGUST 22, 2005

AMENDED IN SENATE JUNE 22, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY APRIL 12, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

**No. 1643**

**Introduced by Assembly Member Jones**

February 22, 2005

---

An act relating to public employee benefits.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1643, as amended, Jones. Public employees: long-term care.

The Public Employees' Long-Term Care Act authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers offering long-term care insurance plans. Active and retired members and annuitants of specified counties and public agencies, and certain relatives of those individuals, are authorized to enroll in those long-term care insurance plans if they meet eligibility and underwriting criteria.

This bill would require ~~the board to order~~ *Board of Administration of the Public Employees' Retirement System, in cooperation with the California Health and Human Services Agency, to contract with an independent firm or organization experienced in disability policy and demographic research to conduct a study to be conducted* concerning long-term care, as specified, and ~~that submit~~ a report on the study ~~be submitted~~ to the Legislature by March 31, 2008.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. The Board of Administration of the Public Employees' Retirement System ~~shall order~~, *in cooperation with the California Health and Human Services Agency, shall contract with an independent firm or organization experienced in disability policy and demographic research to conduct a study to be conducted* that does all of the following:

(a) Requires that any person denied long-term care coverage due to underwriting criteria after January 1, 2006, be asked to complete a questionnaire designed to determine whether he or she would be interested in participating in a proposed pilot project given various possible premium levels and possible restrictions on benefits. Reasonable efforts shall be made to notify persons denied coverage prior to January 1, 2006, about the study and provide them with the opportunity to complete the questionnaire.

(b) Specifies that the questionnaire also ask potential participants questions designed to gather information necessary for the study, including, but not limited to, whether they currently use personal care, whether they would do so immediately if provided coverage, or whether they reasonably expect to do so at various future intervals.

(c) Requires the Public Employees' Retirement System *and the California Health and Human Services Agency, jointly*, to establish a task force to meet at least quarterly and advise ~~it~~ *them and the contractor* on conduct of the study, questions to be included in the questionnaire, and preparation of a report to the Legislature. The task force shall include representatives of organizations of public employees with disabilities, organizations focusing on improving employment opportunities for persons with disabilities, experts on disability demographics and the long-term care needs of persons with disabilities, retirees, unions, and other interested parties.

(d) Requires that the report be submitted to the Legislature by March 31, 2008, and include all of the following elements:

(1) The results of the survey of potential participants.

(2) The expected costs of providing coverage without underwriting criteria.

1 (3) The feasibility and desirability of various options,  
2 including, but not limited to, charging increased premiums for  
3 enrollees not subject to underwriting and imposing increased  
4 waiting periods for those not subject to underwriting.

5 (4) A proposal for a program that would maintain the financial  
6 stability of the plan while balancing the need to cover the  
7 maximum number of individuals with the fewest restrictions on  
8 coverage with the need to minimize increased premiums for  
9 those receiving the expanded coverage and for other enrollees.

10 (5) *The extent to which the proposal might result in savings to*  
11 *public benefit programs by encouraging persons with disabilities*  
12 *to go to work, and eliminating the need for those persons to*  
13 *deplete assets to qualify for public benefits in order to obtain*  
14 *long-term care coverage after retirement.*

15 (6) Other options for ensuring that persons now excluded from  
16 the long-term care insurance plan are able to obtain long-term  
17 services when needed and are not discouraged from seeking  
18 employment in order to continue receiving public benefits.